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OF COUNSEL
URBAN A. LESTER

19746-F

December 4, 1995

Mr. Vernon A. Williams
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Re: Union Pacific Railroad Company
Leveraged Lease Locomotive Financing
UPRR 1995B-X

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) are two (2) copies of a Memorandum of Lessor Security Agreement, dated as of December 1, 1995, a secondary document as defined in the Commission's Rules for the Recordation of Documents under 49 C.F.R. Section 1177.

The enclosed document relates to Memorandum of Lease Agreement duly filed with the Commission under Recordation Number 19746.

The names and addresses of the parties to the enclosed document are:

Lessee	:	Union Pacific Railroad Company Eighth and Eaton Avenues, Martin Tower Bethlehem, Pennsylvania 18018
Lessor	:	Kansas City Locomotive Lease Co., Ltd. c/o Babcock & Brown, Incorporated Hills Plaza, 2 Harrison Street, 6th Floor San Francisco, California 94105

A description of the railroad equipment covered by the enclosed document is:

Seventeen (17) diesel electric locomotives UP 7013 through UP 7029, inclusive



Interstate Commerce Commission
Washington, D.C. 20423-0001

12/4/95

Office Of The Secretary

Robert W. Alvord
Alvord And Alvord
918 Sixteenth Street, NW., Ste. 200
Washington, DC., 20006-2973

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 12/4/95 at 2:35PM, and assigned recordation number(s). 19746-F and 19747-F.

Sincerely yours,

Vernon A. Williams
Secretary

Enclosure(s)

(0100875072)
(0100875073)

\$ 42.00 The amount indicated at the left has been received in payment of a fee in connection with a document filed on the date shown. This receipt is issued for the amount paid and in no way indicates acknowledgment that the fee paid is correct. This is accepted subject to review of the document which has been assigned the transaction number corresponding to the one typed on this receipt. In the event of an error or any questions concerning this fee, you will receive a notification after the Commission has had an opportunity to examine your document.

Signature

19746-F

**MEMORANDUM OF LESSOR SECURITY AGREEMENT
(UPRR 1995B-X)**

Memorandum of Lessor Security Agreement made and entered into as of December 1, 1995 by and between Kansas City Locomotive Lease Co., Ltd., a Cayman Islands corporation ("Lessor"), and Union Pacific Railroad Company, a Utah corporation ("Lessee").

WITNESSETH:

The undersigned have entered into that certain Lessor Security Agreement (UPRR 1995B-X), dated as of December 1, 1995, whereby Lessor has granted to Lessee a security interest in certain locomotives bearing the road numbers listed on Exhibit A attached hereto.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

[CORPORATE SEAL]

KANSAS CITY LOCOMOTIVE LEASE CO., LTD.

By F. J. Blaustein
Name: F. J. Blaustein
Title: President

Executed on this 1st day of December,
1995.

[CORPORATE SEAL]

UNION PACIFIC RAILROAD COMPANY

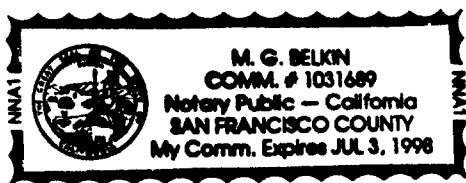
By _____
Name:
Title:

Executed on this ____ day of December,
1995.

STATE OF California)
)
COUNTY OF San Francisco) SS.:

On this, the 1st day of December, 1995, before me, a Notary Public in and for said County and State, personally appeared F. Jan Blawstein, who being by me duly sworn, says that (s)he is the President of KANSAS CITY LOCOMOTIVE LEASE CO., LTD., that the seal affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed on December 1, 1995 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.



M. G. Belkin
Name: M. G. Belkin
Notary Public
My Commission Expires: 7/3/98
Residing in San Francisco, CA

STATE OF _____)
)
COUNTY OF _____) SS.:

On this, the _____ day of December, 1995, before me, a Notary Public in and for said County and State, personally appeared _____, who being by me duly sworn, says that he is the _____ of UNION PACIFIC RAILROAD COMPANY, that the seal affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed on December ___, 1995 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name:
Notary Public
My Commission Expires:
Residing in _____

**MEMORANDUM OF LESSOR SECURITY AGREEMENT
(UPRR 1995B-X)**

Memorandum of Lessor Security Agreement made and entered into as of December 1, 1995 by and between Kansas City Locomotive Lease Co., Ltd., a Cayman Islands corporation ("Lessor"), and Union Pacific Railroad Company, a Utah corporation ("Lessee").

WITNESSETH:

The undersigned have entered into that certain Lessor Security Agreement (UPRR 1995B-X), dated as of December 1, 1995, whereby Lessor has granted to Lessee a security interest in certain locomotives bearing the road numbers listed on Exhibit A attached hereto.

IN WITNESS WHEREOF, the parties hereto have each caused this memorandum to be duly executed by their respective officers duly authorized as of the date and year first above written.

[CORPORATE SEAL]

KANSAS CITY LOCOMOTIVE LEASE CO., LTD.

By _____
Name:
Title:

Executed on this ____ day of December,
1995.

[CORPORATE SEAL]

UNION PACIFIC RAILROAD COMPANY

By Mary S. Jones
Name: Mary S. Jones
Title: Assistant Treasurer

Executed on this 1st day of December,
1995.

STATE OF _____)
) SS.:
COUNTY OF _____)

On this, the _____ day of December, 1995, before me, a Notary Public in and for said County and State, personally appeared _____, who being by me duly sworn, says that (s)he is the _____ of KANSAS CITY LOCOMOTIVE LEASE CO., LTD., that the seal affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed on December ___, 1995 on behalf of said corporation by authority of its Board of Directors, and (s)he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Name:
Notary Public
My Commission Expires:
Residing in _____

STATE OF PA)
) SS.:
COUNTY OF Lehigh)

On this, the 1 day of December, 1995, before me, a Notary Public in and for said County and State, personally appeared Wayne Jones, who being by me duly sworn, says that he is the Post Treas. of UNION PACIFIC RAILROAD COMPANY, that the seal affixed to the foregoing instrument is the seal of said corporation, that said instrument was signed and sealed on December 1, 1995 on behalf of said corporation by authority of its Board of Directors, and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal on the date above mentioned.

Valerie A. Madea
Name:
Notary Public
My Commission Expires: 10/10/98
Residing in PA

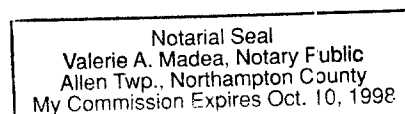


EXHIBIT A

UNITS

EQUIPMENT	QUANTITY	ROAD NUMBERS
General Electric AC4400/6000 CW diesel electric locomotives	17	UP 7013 through UP 7029, inclusive

Mr. Vernon A. Williams
December 4, 1995
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Also enclosed is a check in the amount of \$21.00 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Kindly return one stamped copy of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in dark ink, appearing to read 'R. Alvord', with a stylized flourish at the end.

Robert W. Alvord

RWA/bg
Enclosures